Insurance Companies in the private sector are violating all regulatory mechanism and gambling in the share market;

(b) if so, what are the details there of; and

(c) what is the reaction of Government in regard thereto specially on the privatisation of insnrance company in India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) No, Sir.

(b) Does not arise.

(c) Since under the existing insurance laws, transacting life and general insurance business is an exclusive privilege of the Life Insurance Corporation of India (LIC) and the General Insurance Corporation of India (GIC), this question does not arise.

**Establishment of Independent Insurance Regulatory Authority**

6925. DR. BAPU KALDATE: Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken any decision on the establishment of Independent Insurance Regulatory Authority and if so, the details thereof; and

(b) whether Government have received any resolution which was passed by the General Insurance Employees All India Association on the proposed Independent Insurance Regulatory Authority and if so, what are the details thereof and the action taken thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) As a first step towards the introduction of reforms in the Insurance Sector, it had been announced during the Budget Speech of Finance Minister that it was proposed to establish an Independent Regulatory Authority for the insurance industry, for which the necessary legislation will be introduced shortly.

(b) Yes, Sir. The Federation have assumed that the Regulatory Authority is relevant only to privatisation, and it would be unsuccessful in any effort to curb malpractices by private insurance companies. Essentially the Federation has opposed any attempt at privatisation.

**Round the clock service by foreign banks**

6926. SHRI KRISHAN KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether most of the foreign banks operating in the country have started providing round the clock services;

(b) if so, the details thereof;

(c) whether Government propose to introduce similar round the clock services in nationalised banks in the country particularly in the metropolitan cities; and

(d) if so, by when and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) Presumably, the reference to round-the-clock service is to electronic banking service. Reserve Bank of India (RBI) has, therefore, intimated that a few foreign banks have started providing electronic banking services. RBI have further intimated that Citibank has introduced telephonic banking with primary purpose of making use of modern telephonic networks to improve customer service under which except cash deposits and cash withdrawals, the customers can conduct their banking business by use of telephone.

(c) and (d) As a sequel to the recommendations of the Committee on computerisation in banks, RBI had been permitting commercial banks to instal ATMs in their branches at different centres as and when banks approached for the same.

One of the recommendations of the Committee on Computerisation in banks

was that a small network of ATMs, as proposed by Indian Banks Association, can be tried out to begin with in Bombay by installing ATMs|Cash Dispensers at strategic locations, such as airports, railway stations and hospitals as the same would be more economical than individual banks acquiring ATMs on their own. The proposal for setting up a share ATM by IBA is in advanced stage of finalisation.

**Official figures giving wrong picture of economy**

6927. SHRI O. P. KOHLI : Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news item appearing in the "Indian Express" dated the 20th April, 1995 under the caption "Official figures giving wrong picture of economy, say leftists";

(b) if so, the reaction of Government thereto;

(c) wheher the unrestricted inflow of international financial capital is stifling the indigenous entrepreneurship, and

(d) if so, the correcting measures being adopted by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Indian Express published a news item captioned "Official figures giving wrong picture of economy, says leftists" on the 30th April, 1995. The news item relates to statements made by some economists, while releasing a copy of the Alternative Economic Survey for the year 1994-95, issued by Public Interest Research Group.

(b) The Government does not agree with the analysis made by the Economist. A detailed assessment of the Government on economic reforms and development of different sectors of the economy have already been given in the Economic Survey 1994-95 which was tabled in both the Houses of Parliament on March 14, 1995. As per the Economic Survey 1994-95, a remarkable progress has been made by the Indian Economy since the difficult days of 1991 economic crisis.

(c) and (d) Foreign investment flows supplement domestic savings to augment domestic investment. However, the Goverment has adopted a selective approach towards foreign investment. Direct foreign investment is approved automaticaly upto 51 per cent of the equity in 35 priority industries. Foreign equity exceeding 51 per cent in these areas and the amount of foreign equity in other areas are determined on the basis of case-by-case approvals. As regards portfolio investment, there is an individual limit of 5 per cent with a cumulative limit of 24 per cent of the issued capital for each company.

**Affairs of UTI**

6928 SHRI GUNDAPPA KORWAR: Will the Minister of FINANCE be pleased to state :

(a) whether Govenment will look into the present state of affairs in the Unit Trust of India (UTI);

(b) whether it is a fact that the Unit Trust of India is unable to properly manage its large equity interests;

(c) whether a systematic policy will be implemented to protect the vast investments of the public in U.T.I.;

(d) whether it is a fact that the UTI has recently been taking unnecessary risks in management of its equity;

(e) what steps will be taken to ensure that UTI adopted a more cautious line with regard to its equity investments;

(f) whether it is also a fact that UTI is interfering directly in the management of companies in which it has an equity stake; and

(g) it so, the reasons trereof?